

Making Health Care Affordable for Many Displaced Workers

Did you know... that the Health Coverage Tax Credit (HCTC) is a federally funded program that can pay for 80% of health insurance premiums for you and your family members?

Your company was recently Trade Adjustment Assistance (TAA) certified by the Department of Labor. You may be eligible for a number of benefits due to this recent certification. It is very important that you contact your state or local unemployment office (One-Stop Career Center) to find out if you can begin receiving benefits. Call the U.S. Department of Labor at 1-877-US-2JOBS for more information.

Once you have contacted your state or local unemployment office, you may begin receiving Trade Readjustment Allowance (TRA) benefits. At that time, you may also become eligible for the HCTC Program. The Internal Revenue Service (IRS) administers the HCTC Program in partnership with other federal agencies, states, and the private health industry. **The IRS will send you an HCTC Program Kit in the mail as soon as you become eligible for the HCTC Program. The Program Kit will include a registration form and instructions on how to begin receiving financial assistance with your health insurance premiums.**

How can I receive the HCTC?

As long as you meet the general requirements below, you can receive the HCTC. If you want family members to receive the HCTC, each family member must also meet these requirements.

- You are a TAA recipient or a family member
- You are covered by a qualified health plan
- You are not claimed as a dependent on another individual's federal tax return (except family members can be dependents)
- You are not enrolled in Medicare
- You are not enrolled in the Federal Employees Health Benefit Plan (FEHBP), Medicaid or State Children's Health Insurance Program (SCHIP)
- You are not imprisoned by a federal, state, or local authority
- You are not entitled to health coverage through U.S. military health system (CHAMPUS - TRICARE)

If you meet all the HCTC general requirements, you have two options to receive the HCTC. Either:

1. Register for the monthly HCTC and receive the credit on a monthly basis in the form of a payment to your health plan to help pay for insurance premiums as they are due.
2. Claim the yearly HCTC on your federal tax return. You will receive the credit as a reimbursement of health insurance premiums you pay during the year through a tax refund or as a credit against the taxes you owe.

I'm interested in the HCTC, what do I do?

1. Apply for and receive monthly TAA benefits. If you have questions on this step, contact your state or local unemployment office.
2. Enroll in a qualified health plan. Only certain types of health plans qualify, details are included on the back of this document.
3. When you receive an HCTC Program Kit in the mail, fill out the enclosed Registration Form and mail it to the HCTC Program with the required supporting documentation.
4. You can also apply for temporary state-level assistance for the HCTC (also called NEG Bridge Grants), if available in your state, that will help you pay for premium costs while you are registering for the monthly HCTC. Contact the US Department of Labor at 1-877-US-2JOBS for more information.

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What health plans are qualified for the HCTC Program?

There are four types of Qualified Health Plans for the HCTC Program:

1. COBRA – this is health insurance offered by former employers when employees leave their jobs. You must choose or “elect” COBRA coverage when you leave your job and pay out of pocket for health insurance. To receive the HCTC, you must pay more than 50% of the cost of COBRA coverage. COBRA plans are the most common in the monthly HCTC program.
2. State Qualified Health Plans – these are health insurance plans approved for the HCTC Program by a State’s Department of Insurance. Check the list of states and the qualified health plans for that state at www.irs.gov (Keyword/Search: HCTC: List of State Qualified Health Plans).
3. Spousal Coverage – this type of health insurance may be received through your spouse’s job. To receive the HCTC, you and your spouse must pay more than 50% of the cost of coverage. Spousal coverage can only be claimed on the yearly HCTC, unless your spouse has COBRA coverage.
4. Non-group/Individual Health Plans – this type of health plan covers an individual or family and is purchased directly from an insurance company, agent, or broker. The health plan must take effect at least 30 days before the individual’s last paid day of work from the job that made the individual eligible to receive TAA benefits. Due to this 30-day rule, this type of coverage is rare for the HCTC.

Where can I go for additional information?

For information about TAA benefits, including state and local unemployment offices, call the U.S. Department of Labor at 1-877-US-2JOBS for more information.

For general information about the HCTC, visit www.irs.gov (Keyword/Search: HCTC).

As previously mentioned, you will receive the HCTC Program Kit in the mail after you begin receiving Trade Readjustment Allowance (TRA) benefits. If you have any questions after receiving and reviewing the HCTC Program Kit, call the HCTC Customer Contact Center toll-free at 1-866-628-HCTC (4282). If you have a hearing impairment, call 1-866-626-4282 (TTY).